

Persons engaged in the business of selling meals to purchasers for use or consumption incur Retailers' Occupation Tax liability on their gross receipts from such sales. See 86 Ill. Adm. Code 130.2145. (This is a GIL).

July 17, 2000

Dear Xxxxx:

This letter is in response to your letter dated June 3, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department, 2 Ill. Adm. Code 1200.120(b) and (c) (see <http://www.revenue.state.il.us/legalinformation/regs/part1200>).

In your letter, you have stated and made inquiry as follows:

I am a personal chef—one who is paid by a person to grocery shop, cook, package and store meals for them in their home. I do all food prep in their home. I charge an all-inclusive fee (service & groceries) paid by them before or at time of service.

I am writing for a LEGAL RULING on my having to pay sales tax or not.

Persons engaged in the business of selling meals to purchasers for use or consumption incur Retailers' Occupation Tax liability on their gross receipts from such sales. See 86 Ill. Adm. Code 130.2145 enclosed.

When businesspersons enter their customer's homes in order to cook, prepare and transfer food that they are supplying, the transaction is sufficiently similar to that of a caterer selling a meal to be taxable as a retail sale under the Retailers' Occupation Tax Act. Caterers are vendors of tangible personal property pursuant to 86 Ill. Adm. Code 130.2145(a). As a retail sale transaction, the entire gross receipts are subject to Retailers' Occupation Tax liability and no deductions are allowed for costs of doing business such as the cost of property sold, the cost of materials used, labor or service costs, freight or transportation costs, overhead costs, or any other expenses whatsoever. Please refer to 86 Ill. Adm. Code 130.410, enclosed.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz
Associate Counsel

KWB:msk
Enc.